

'I never thought I would ... say yes to an oil project'; From Greenpeace activist to 'minister of pollution authorization': The story of how Steven Guilbeault became an environmental pragmatist

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Body

In some ways, for Steven Guilbeault, it was easier being an activist.

Back then, he could shoot from the hip, make bold and unambiguous statements - like in 2001, when he scaled the CN Tower and unfurled a Greenpeace banner that called Canada and U.S. president George W. Bush "climate killers."

Now Guilbeault is a leading figure in the Canadian government as Prime Minister Justin Trudeau's environment minister. And in that role, the one-time climate activist finds himself doing something he calls "particularly challenging on a personal level" - defending a major new deep-sea oil drilling project off Canada's east coast.

"I understood that I was stepping into different roles, that I was unlikely to be able to win all my battles, and - you know - that there might be some difficult decisions either that I would make, or that the government would make, that I would have to live with," Guilbeault told the Star.

Still, he said, "I never thought I would come into politics to say yes to an oil project."

Guilbeault's mixed feelings about green-lighting the Bay du Nord project - a decision he says was, in the end, his alone - highlight the Liberal government's chosen path through Canada's fraught politics of energy and climate change. Since taking power in 2015, the Trudeau government has assembled the most ambitious federal policies to slash greenhouse gas emissions in Canadian history, while at the same time supporting the country's pollution-heavy but economically vital fossil-fuel sector. It also bought a pipeline, imposed a carbon levy, and committed to even tougher overall climate goals.

In recent weeks, however, charting that course was further complicated by Russia's invasion of Ukraine, which sparked sudden and pressing demands from European allies for new supplies of oil and gas - demands Canada answered with a pledge to crank out more fossil fuels, even as it plans to drastically reduce greenhouse gas emissions over the next eight years. That plan angered environmentalists for its reliance on emerging technology to capture and store carbon emissions, which they argue is uncertain to work on a broad scale and could prolong use of the fossil fuels that lead to global warming.

The Star interviewed cabinet ministers, senior Liberals and officials from oil-producing regions in Alberta and Newfoundland about the major decisions on climate and energy the federal government has made over the past two months, a period one cabinet minister described as "a reckoning."

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Those interviews revealed that amid red-hot inflation and a climate crisis that is only getting more urgent, the invasion of Ukraine threw another weighty consideration onto the shoulders of a Liberal cabinet that is grappling with how to navigate the promised transition to a low-carbon economy, a massive undertaking with major consequences for the Canadian economy and the future of the planet.

It was late February and critical debates were unfolding behind cabinet doors when Natural Resources Minister Jonathan Wilkinson flew to St. John's for an intense two-hour meeting with Premier Andrew Furey.

The premier feared Guilbeault was set to overrule an arm's-length impact assessment that backed the Bay du Nord project off Canada's east coast.

Guilbeault had already delayed the Bay du Nord decision once, and was at the centre of the balancing act. But it was to Wilkinson that Newfoundland and Labrador's premier turned in the hopes of making the economic and environmental case for the \$12-billion project.

Furey had already pitched his province as a willing partner in Canada's transition to net-zero emissions by 2050 when he met Guilbeault in Scotland at the COP26 climate conference.

Newfoundland and Labrador, the windiest province in Canada, was about to lift a long-standing ban on wind farms. It was touting its deep sea ports with access to Europe and the northeast U.S. seaboard. Signalling its openness to renewables and cleaner forms of energy production, it would soon ditch the words "petroleum" and "oil" in major rebrandings of the federal-provincial offshore oil regulator, and the offshore oil industry association, which would become the Canada-Newfoundland and Labrador Offshore Energy Board, and Energy N.L. respectively.

"I'm not naive and I am not 'drill at all costs.' I am a realist and a pragmatist. The world is in transition. That takes time," said Furey, arguing Bay du Nord's lower emitting products are part of that transition. "And that's why Bay du Nord fits so nicely in their emissions plan. It fits nicely in the transition."

But Furey worried it might not have been enough for Guilbeault and environmental critics, given the polarized debate around climate politics. "I think unfortunately the rhetoric has been escalated and simplified to, 'This is black and white.' It's not. And you know, even the scientists recognize that with net-zero (emissions) in 2050, it's not zero-oil 2050."

In fact, Furey was not wrong to worry.

Faced with the task of drafting and presenting Canada's first emissions reduction plan, Guilbeault had been under pressure from within the Liberal caucus and cabinet for months, a senior government official said, with his Quebec and Ontario colleagues from the GTA pressing for aggressive climate action, while a handful of others urged a more balanced approach.

Multiple sources say Wilkinson and Finance Minister Chrystia Freeland, who had to draft the budget to finance the emissions reduction plan, were key players in the discussions, which several described as "intense."

Trudeau weighed in, challenging Guilbeault as well as Freeland and Wilkinson to ensure "the numbers would work," said one insider. He wanted a workable climate action plan and a budget that would encourage economic growth while financing the development of innovation - including carbon capture technologies - in the clean energy sector.

Wilkinson argued that Bay du Nord fits the overall plan.

"This is one of the lowest-emission projects in the world," he told the Star. "The absolute emissions from this project are 0.2 of a megatonne. That is a fraction of a steel mill in Ontario, or a fraction of an aluminum plant in Quebec."

Guilbeault acknowledged consultations with other cabinet members - "some in favour, some against" - but insisted the decision on Bay du Nord was ultimately his to make. A big reason he approved it, he said, was to avoid a

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"political decision" to overrule the arms-length Impact Assessment Agency, which had concluded the project was unlikely to significantly harm the environment.

"I could have said that I disagreed with the analysis of the agency, and then I could have brought this to cabinet. But the implications were ... challenging to contemplate," Guilbeault said. "It would basically mean that we would forgo our commitment to depoliticize the system, because that would have been a political decision."

Some of his colleagues recognize Guilbeault was in a tough position. "You cannot be closed to the fact that the guy tied himself to the CN Tower and this is the first thing he confronts," said one.

A senior federal official said the job of environment minister is hard, and "having the Impact Assessment Agency makes it really hard - because it's called minister of environment, but at the end of the day, it's like a euphemism for minister of pollution authorization, right? All the regulations that the minister of the environment does is to authorize certain activities to happen which hurt the environment, but you're trying to do it in a managed way, so it's a very tough job. It's a constant balancing act with the economic considerations as well."

There were also intense discussions about the government's emissions reduction plan. It charts a path to Canada's goal of slashing emissions to 40 per cent below 2005 levels by 2030, and assumes 13 per cent of those projected reductions would come from carbon capture, utilization and storage (CCUS) technology.

Groups like Environmental Defence questioned whether this technology can do so much heavy lifting, while the opposition NDP cried foul when the biggest chunk of new spending on climate action in Freeland's April 7 budget was more than \$2.6 billion for a CCUS tax credit; climate campaigners view that as an expensive new subsidy for the oil and gas sector, while oil producers in Alberta say CCUS is critical to hitting the targets.

Last week, Freeland visited a Calgary facility where work is underway on scaling up the technology, and touted such private-sector efforts as a key part of the solution. "Governments are not going to make these inventions," she said. "I know this inventing is not happening in the Department of Finance."

In Ottawa, Guilbeault was frank. "Did I get everything I wanted in the emissions reduction plan? Of course not."

He acknowledged that there is a "genuine concern" from some in government "about the right balance" on how hard to push sectors to slash emissions.

"There were some concerns regarding the emissions reduction plan, by some colleagues - is it going too far, too hard on certain sectors? In the end, it proved not to be the case," he said. "I'm very happy that's where we landed, but I was in no way being dismissive of colleagues that had these concerns."

"They are very real concerns and who am I to say that they're completely wrong?"

Wilkinson described their relationship as "open and collaborative," but acknowledged that he has debated with Guilbeault on certain policies.

"We almost always end up in a place where we both are actually in a good space," Wilkinson said. "And there are an enormous number of times where he and I don't even have to have a conversation, we just absolutely agree from the get-go."

Politically, however, these decisions have opened the Liberals to attacks. Pro-oil Conservatives claim the Liberals will kneecap a prosperous industry that employs tens of thousands of Canadians in order to reduce emissions, while climate advocates charge the government is not moving aggressively enough against that same industry in the name of saving the planet.

The war in Ukraine added a new pressure point. Two weeks after the war began, German Chancellor Olaf Scholz told Trudeau that his country was looking to Canada as a potential partner to wean itself off Russian energy

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sources. Trudeau, sources say, responded that Canada would help, but noted that long-term solutions would require long-term investments from partners like Germany.

Meanwhile, the burgeoning energy and commodity crisis triggered by the war exacerbated inflation in Canada, driving the cost of gasoline skyward, and bringing concerns about affordability to the fore.

"The energy dynamics have changed," Wilkinson told the Star. "Those issues are much higher on the radar screen than they were even a few months ago."

After the Ukraine invasion, the Canadian government started canvassing energy producers and pipeline companies to see how much extra oil and gas they could crank out and transport.

"What can you do to increase production? Can we get more gas and oil to Europe?" Wilkinson asked leading oil producers, said Suncor chief climate officer Martha Hall Findlay.

"There was no shortage of irony in those conversations" after years in which the industry was "denied" the ability to build new pipeline infrastructure, said Hall Findlay, a former Liberal MP. "We ended up saying there might be a possibility if we increase (transportation by) rail. But we're public companies - it's not like we're sitting on unused production."

After weeks of discussions, Wilkinson announced on March 24 that Canada could provide an additional 200,000 barrels of oil per day, and the equivalent of 100,000 barrels of natural gas per day. But that was less than five per cent of the amount of Russian oil European countries were consuming as of November 2021, and just a fraction of its Russian natural gas supplies, according to the International Energy Agency.

"Did they want more? Yeah. Oh, yeah," Hall Findlay said.

More significantly, she added, the government seems to have reached an inflection point and is now more willing to work with industry instead of working against it.

She attributes that in part to work major oilsands companies have been doing for the past two years: Suncor is deeply involved in an effort by the top six oilsands producers to develop and scale up climate action solutions. The alliance is called the Oilsands Pathways to Net Zero, which is working to finance and build a major CO2 trunk line that would connect to a carbon sequestration hub (projected to cost about \$2 billion to \$3 billion a year), and to advance other technologies to attain net-zero emissions by 2050.

"Unicorns and rainbows are not going to actually get Canadian emissions reductions," said Hall Findlay, who added the federal government is finally participating "in a collaboration that's absolutely critical to act to truly reduce emissions. Even Minister Guilbeault has shown a pragmatic approach, because the lack of pragmatism has not reduced emissions at all in Canada."

That pragmatism ran in both directions over the past intense few weeks.

The day before Guilbeault angered environmentalists by approving the Bay du Nord project, Suncor put a hold on its own application for a new oilsands mine adjacent to one that is nearing the end of its lifespan in Alberta, applying instead for a nine-month extension.

"There are reasons why, all of a sudden, Suncor delayed the process," said Hall Findlay, choosing her words carefully. "We were the ones who asked for an extension, if only to make sure that no hard decisions were taken. We recognized that Bay du Nord was politically challenging for this government. Frankly, it shouldn't have been. It should have been approved ages ago."

However, Suncor did not want its own project to then become the poster child for political action. "We're a business. We know what we need to do long term" to reduce emissions, said Hall Findlay. "We just don't want to get caught up in some of the stuff that is politically motivated."

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Guilbeault penned a response to Suncor the same day he gave the green light to the Newfoundland offshore project, warning that as currently proposed, the extension would lead to unacceptably high emissions and would likely get rejected by the federal government.

The minister told the Star this is consistent with the government's emerging criteria to approve only "best-in-class" projects for the environment, and "sends a pretty clear signal that, moving forward in Canada, things will be different."

Hall Findlay shrugged off the warning. "The letter he did send does not draw any lines in the sand, because it's not a 'no,'" she said.

And while Guilbeault may be in the crosshairs of activists who never thought he would work with industry, she gives him credit for engaging with industry because he has realized, "Oh, OK. Well, if this is how we can actually reduce emissions, let's figure it out.' So good, huge credit to him, because I know politically, he's using up a lot of capital. It's hard for him."

Still, the decision to approve Bay du Nord came just two days after a new United Nations climate report concluded global emissions must start falling sharply to avoid the worst extremes of climate change, a finding that prompted the UN's secretary general to declare it "moral and economic madness" to spend money on new fossil fuel projects.

The approval of the project, combined with the moves to increase oil and gas exports for Europe and budget more than \$2.6 billion for the CCUS tax credit, led some to question the Liberal government's commitment to meaningful action to fight climate change.

"One of the inevitable conclusions is that having one strong climate voice at the cabinet table is not enough," said Caroline Brouillette, national policy manager for the group Climate Action Network Canada.

Guilbeault rejects that conclusion. In his current position, he says, he no longer has the luxury of taking black-and-white positions on the oil and gas sector, a major driver of the Canadian economy.

"I'm no longer representing a group of people who are members or sympathizers of an environmental organization," he said.

"I'm the environment and climate change minister for some 38 million Canadians."

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